

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4347
ANSWERED ON:24.08.2005
OUTSOURCING POLICY OF CIL
Murmu Shri Hemlal

Will the Minister of COAL be pleased to state:

- (a) whether the policy of outsourcing is being followed by the Coal India Limited and its subsidiaries;
- (b) if so, the details of the services outsourced regarding transportation, production of coal and other related works of the Coal India Limited and its subsidiaries;
- (c) the service-wise and item-wise details of the amount paid by the Coal India Limited and its subsidiaries for the outsourced services, import of machines and appliances for production during each of the last three years till July, 2005; and
- (d) the steps taken by the Government to strengthen the Coal India Limited and its subsidiaries and make them profit making units?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) Outsourcing of some of the activities have been undertaken by Coal India Limited (CIL) and its subsidiaries in some of its mines to build up additional capacity of production, to avoid initial capital investment and to reduce cost of operations,

(b) & (c) Major activities outsourced by CIL and its subsidiaries are production of coal in some mines and isolated patches, removal of overburden in some mines and isolated patches, transport of coal and sand etc. The amount paid by Coal India Limited and its subsidiaries for the outsourced services and import of machineries during each of the last three years till July, 2005 is given below :

(Rs. in crore)

Particulars	2002-03	2003-04	2004-05 (Prov.)	2005-06
(upto July 05)				
(Prov.)				

Transport of Coal	257.25	265.59	390.82	122.62
Hiring of Equipment	51.68	42.42	46.95	8.91
Surface Miner	55.66	40.52	54.37	21.75
Contractual OBR	75.42	118.08	273.41	127.18
Total	440.01	466.61	765.55	280.46

(Rs. in Crore)

Particulars	2002-2003	2003-2004	2004-05 (Prov.)	2005-06
(upto July 05)				
(Prov.)				

Import of	41.69	Nil	8.31	Nil
machineries				
(CIF+Customs duty+ Transport)				

(d) CIL as a whole is earning profit but two of its subsidiaries, viz. Eastern Coalfields Limited (ECL) & Bharat Coking Coal Limited (BCCL) are incurring loss. The revival plans of ECL & BCCL have been referred to the Board for Reconstruction of Public Sector Enterprises (BRPSE).